Illustrative Audit Checklist for Goods and Services Tax

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The checklist for auditors is only illustrative in nature. Members are expected to exercise their professional judgment while using the checklist depending upon facts and circumstances of each case.

- Whether the registered person has properly availed the Input Tax Credit of the GST paid on the input services, input, capital goods as the case may be?
- Whether GST have been properly charged by the head office, regional offices, zonal offices in case of inter unit / branch transactions?
- Whether the registered person have filed the applicable returns on timely basis as notified by the Government?
- Whether the registered person has made the payment of GST on timely basis?
- Whether the head office has not availed depreciation u/s 32 of the Income Tax Act, 1961 on the amount of GST on the capital goods on which input tax credit has been availed?
- Whether GST have been paid on reverse charge basis on the services procured from supplier in terms of Section 9(3) of the CGST Act?
- Whether GST have been paid on reverse charge basis on the goods/services procured from the unregistered supplier in terms of Section 9(4) of the CGST/SGST Act, for the period July 1,2017 till October 12, 2017, if aggregate value of supplies of goods or services or both received by a registered person from any or all the suppliers, who is or are not registered, exceeds Rs. 5000/- in a day?
- Similarly, whether GST has been paid, in respect of each GST-registered location, on reverse charge basis on inter-State inward supplies from unregistered suppliers for the period July 1, 2017 till October 12, 2017?
- Whether sale or lease of vehicles procured prior to 1st July, 2017 and on which any Input Tax Credit has not been availed of Central Excise duty, VAT or any other taxes paid on such motor vehicles be subject to 65% of applicable GST rate?Whether IGST have been paid at the point of importation in case of high seas sales?

- Whether GST have been paid on advances paid by the banks to the unregistered persons under section 9(4) of the CGST Act till 12th October, 2017?
- Whether GST have been paid on advances paid by the banks to the specified registered persons under section 9(3) of the CGST Act such as sponsorship services, GTA services, etc.?
- Whether all inward supplies (whether creditable or not) flow into the books of the bank through the GSTR-1 of any registered supplier? If not, have such supplies been reported in GSTR-2 under section 9(3) of CGST Act / 5(4) of IGST Act, even if no tax is payable from 13th October, 2017?
- Whether in respect of each inward supply where no tax has been paid, is there is a clear disclosure made to the auditors as to the reasons for the tax position taken in each case? Auditor may examine, if the tax position taken requires to be reported in the audit report or other communication?
- Whether IGST has been paid on 'import of services'?
- Whether the GTA amount have been capitalised under the head Fixed Assets?
- Whether the bank has taken the CENVAT Credit in respect of input and capital goods on the basis of proper duty paying documents, containing all particulars as prescribed by CGST Rules read with section 31 of the CGST Act, 2017, i.e., serially numbered invoice / bill not exceeding sixteen characters, containing the requisite information like, Name, address and GST Number of Bank, Name, address and Goods and Services Tax No. of recipient, date of issue, HSN Code of goods, etc.?
- Similarly, whether the bank has taken the CENVAT Credit in respect of services on the basis of proper duty paying documents, containing all particulars as prescribed by CGST Rules read with section 31 of the CGST Act, 2017, i.e., serially numbered invoice / bill not exceeding sixteen characters, containing the requisite information like, Name, address and GST Number of Bank, date of issue, amount of the credit distributed, etc.?
- Whether an amount equal to the input tax credit availed by the recipient added to output tax liability of supplier along with interest, where the recipient fails to pay supplier of goods or services an amount towards the value of supply along with tax payable within 180 days from the date of

  issue of invoice by the supplier?
- Whether the credit taken in respect of services covered under reverse charge mechanism is taken only after making payment of GST?

- Whether the banking company or a financial institution including a non-banking financial company has either availed of, every month, an amount equal to 50%. of the eligible input tax credit on inputs, capital goods and input services in that month OR has availed the amount of the input tax credit attributable to the taxable supplies including zero-rated supplies?
- Whether the banks have taken the Registration of GST within 30 days from the date on which he becomes liable to registration or the date of start of business of the branch, whichever is later?
- Whether the banks (HO/ZO/RO) have sought registration as input service distributor under CGST Rules, 2017 or whether the supplies centrally procured have been treated as outward supply from HO/ZO/RO to respective branches? Unlike earlier laws, GST permits registration as input service distributor to an office that does not have any outward supplies and is one that merely receives invoices for such supplies and distributes credit to recipient branches.
- In either case, auditor shall ensure that the returns are being regularly filed. Auditor shall also ensure that if the respective office is registered as 'input service distributor', whether invoice is issued for distributing the Input Tax Credit as per Rule 54 of the CGST Rules, 2017?
- Whether the branches have taken the appropriate credit on the invoice/challan/bill or any other documents issued by the head office, regional office, zonal office as an input service distributor?
- Whether the branches have mentioned their GST number on the statement, challan, bill, invoice or any other documents issued to the customer for the services rendered by the Bank?
- Whether bank maintains the records specified by Rule 56 of the CGST Rules, 2017?
- Whether the branches have made arrangements to ensure that GST is not collected on the interest amount?